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11 UNITED STATES DISTRICT COURT
 12 NORTHERN DISTRICT OF CALIFORNIA

13 FEDERAL TRADE COMMISSION,

14 Plaintiff,

15 v.

16 MDK MEDIA INC., a California corporation also
 17 doing business as SE VENTURES, GMK
 COMMUNICATIONS, and EMG; MAKONNEN
 DEMESSOW KEBEDE, individually and as an
 18 officer and owner of MDK Media Inc.;
 TENDENCI MEDIA LLC, a California limited
 liability company; SARAH ANN BREKKE,
 19 individually and as a member of Tendenci Media
 LLC; MINDKONTROL INDUSTRIES LLC, a
 20 California limited liability company;
 CHRISTOPHER THOMAS DENOVELLIS,
 21 individually and as a member of MindKontrol
 Industries LLC; ANACAPA MEDIA LLC, a
 22 California limited liability company; WAYNE
 CALVIN BYRD II, individually and as a member
 23 of Anacapa Media LLC; BEAR
 COMMUNICATIONS LLC, a California limited
 24 liability company; JAMES MATTHEW
 DAWSON, individually and as a member of Bear
 25 Communications LLC; NETWORK ONE
 COMMERCE INC., a Nevada corporation; and
 26 CASEY LEE ADKISSON, individually and as an
 officer and owner of Network One Commerce Inc.,

27 Defendants.
 28

MISC. CASE NO. _____

**NOTICE OF FEDERAL TRADE
 COMMISSION'S FILING OF
 COMPLAINT AND TEMPORARY
 RESTRAINING ORDER APPOINTING
 RECEIVER PURSUANT TO 28 U.S.C.
 § 754**

United States District Court
 Central District of California
 Western Division
 Case No. 2:14-cv-05099-JFW (SHx)

1 On July 1, 2014, the Federal Trade Commission filed a Complaint against Defendants in
2 the United States District Court for the Central District of California. Attached hereto as Exhibit
3 A is a certified copy of the Complaint. Court-Appointed Receiver, Thomas W. McNamara
4 ("Receiver"), by and through the undersigned counsel, hereby provides notice, pursuant to 28
5 U.S.C. § 754, that on July 7, 2014, the Court entered a Temporary Restraining Order ("TRO") as
6 to Defendants MDK Media Inc. also d/b/a "SE Ventures," "GMK Communications," and
7 "EMG;" Tendenci Media LLC; MindKontrol Industries LLC; Anacapa Media LLC; Bear
8 Communications LLC; Network One Commerce Inc.; Makonnen Demessow Kebede; Sarah
9 Anne Brekke; Christopher Thomas DeNovellis; Wayne Calvin Byrd II; James Matthew Dawson;
10 and Casey Lee Adkisson appointing Mr. McNamara as Receiver over the Receivership
11 Defendants as defined in the TRO at pages 3-5. A certified copy of the TRO is attached hereto
12 as Exhibit B.

13 Respectfully submitted this 14th day of July, 2014.

14
15 BALLARD SPAHR LLP

16
17 By: 

18 Daniel M. Benjamin
19 Attorneys for Thomas W. McNamara,
20 Court-Appointed Receiver
21 Email: benjamind@ballardspahr.com
22
23
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25
26
27
28

EXHIBIT A

COPY

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12 Attorneys for the Plaintiff
 13 Federal Trade Commission

14 UNITED STATES DISTRICT COURT
 15 CENTRAL DISTRICT OF CALIFORNIA

16 FEDERAL TRADE COMMISSION,

17 Plaintiff,

18 v.

19 MDK MEDIA INC., a California
 20 corporation also doing business as SE
 21 VENTURES, GMK COMMUNICATIONS,
 22 and EMG;

23 MAKONNEN DEMESSOW KEBEDE,
 24 individually and as an officer and owner of
 25 MDK Media Inc.;

26 TENDENCI MEDIA LLC, a California
 27 limited liability company;

28 SARAH ANN BREKKE, individually and
 as a member of Tendenci Media LLC;

MINDKONTROL INDUSTRIES LLC, a
 California limited liability company;

CHRISTOPHER THOMAS
 DENOVELLIS, individually and as a
 member of Mindkontrol Industries LLC;

ANACAPA MEDIA LLC, a California
 limited liability company;

WAYNE CALVIN BYRD II, individually
 and as a member of Anacapa Media LLC;

Case No. CV 14-5099 JFW-SHx

COMPLAINT FOR PERMANENT
 INJUNCTION AND OTHER
 EQUITABLE RELIEF



1 BEAR COMMUNICATIONS LLC, a
2 California limited liability company;

3 JAMES MATTHEW DAWSON,
4 individually and as a member of Bear
Communications LLC;

5 NETWORK ONE COMMERCE INC., a
Nevada corporation; and

6 CASEY LEE ADKISSON, individually and
7 as an officer and owner of Network One
Commerce Inc.,

8 Defendants.
9

10
11 Plaintiff, the **Federal Trade Commission** ("FTC"), for its Complaint
12 alleges:

13 1. The FTC brings this action under Section 13(b) of the Federal Trade
14 Commission Act ("FTC Act"), 15 U.S.C. § 53(b), to obtain temporary,
15 preliminary, and permanent injunctive relief, rescission or reformation of contracts,
16 restitution, the refund of monies paid, disgorgement of ill-gotten monies, and other
17 equitable relief for Defendants' acts or practices in violation of Section 5(a) of the
18 FTC Act, 15 U.S.C. § 45(a). As explained herein, Defendants have engaged in a
19 widespread scheme to place unauthorized third-party charges on consumers'
20 mobile phone bills, a harmful and illegal practice known as "cramming."

21 **JURISDICTION AND VENUE**

22 2. This Court has subject matter jurisdiction pursuant to 28 U.S.C.
23 §§ 1331, 1337(a), and 1345, and 15 U.S.C. §§ 45(a) and 53(b).

24 3. Venue is proper in this district under 28 U.S.C. § 1391(b)(2), (c)(1)
25 and (2), and (d), and 15 U.S.C. § 53(b).

26 **PLAINTIFF**

27 4. The FTC is an independent agency of the United States Government
28 created by statute. 15 U.S.C. §§ 41-58. The FTC enforces Section 5(a) of the FTC

1 Act, 15 U.S.C. § 45(a), which prohibits unfair or deceptive acts or practices in or
2 affecting commerce.

3 5. The FTC is authorized to initiate federal district court proceedings, by
4 its own attorneys, to enjoin violations of the FTC Act and to secure such equitable
5 relief as may be appropriate in each case, including rescission or reformation of
6 contracts, restitution, the refund of monies paid, and the disgorgement of ill-gotten
7 monies. 15 U.S.C. §§ 53(b) and 56(a)(2)(A).

8 **DEFENDANTS**

9 6. Defendant **MDK Media Inc.** ("MDK") is a California corporation
10 with its principal place of business in Gardena, California. It also does business as
11 "SE Ventures," "GMK Communications," and "EMG." MDK transacts or has
12 transacted business in this District and throughout the United States.

13 7. Defendant **Makonnen Demessow Kebede** ("Kebede") is the sole
14 owner and officer of MDK. At all times material to this complaint, acting alone or
15 in concert with others, Kebede formulated, directed, controlled, had the authority
16 to control, or participated in the acts and practices of MDK, Tendenci,
17 Mindkontrol, Anacapa, Bear, and Network One. This includes incorporating
18 MDK; setting up and managing its bank accounts, domain names, and websites;
19 serving as sole signatory on and managing MDK's bank accounts; recruiting the
20 other Defendants to operate as content providers; managing MDK's short code
21 campaigns; participating in the management of the other Defendants' short code
22 campaigns; and directing and/or participating in the other acts and practices set
23 forth in this Complaint. Kebede resides in this District and, in connection with the
24 matters alleged herein, transacts or has transacted business in this District and
25 throughout the United States.

26 8. Defendant **Tendenci Media LLC** ("Tendenci") is a California limited
27 liability company with its principal place of business in Los Angeles, California.
28

1 Tendenci transacts or has transacted business in this District and throughout the
2 United States.

3 9. Defendant **Sarah Ann Brekke** ("Brekke") is the owner and sole
4 member of Tendenci. At all times material to this complaint, acting alone or in
5 concert with others, Brekke formulated, directed, controlled, had the authority to
6 control, or participated in the acts and practices of Tendenci. This includes
7 forming Tendenci as a corporate entity; arranging for and managing its mail drop
8 addresses; serving as sole signatory on and managing Tendenci's bank accounts;
9 registering and managing Tendenci's domain names; managing Tendenci's
10 websites, short codes, and short code campaigns; and directing and/or participating
11 in the other acts and practices set forth in this Complaint. Defendant Brekke
12 resides in this District and, in connection with the matters alleged herein, transacts
13 or has transacted business in this District and throughout the United States.

14 10. Defendant **Mindkontrol Industries LLC** ("Mindkontrol") is a
15 California limited liability company with its principal place of business in San
16 Francisco, California. Mindkontrol transacts or has transacted business in this
17 District and throughout the United States.

18 11. Defendant **Christopher Thomas DeNovellis** ("DeNovellis") is the
19 owner and sole member of Mindkontrol. At all times material to this complaint,
20 acting alone or in concert with others, DeNovellis formulated, directed, controlled,
21 had the authority to control, or participated in the acts and practices of
22 Mindkontrol. This includes forming Mindkontrol as a corporate entity; serving as
23 sole signatory on and managing its bank accounts; managing its short codes and
24 short code campaigns; and directing and/or participating in the other acts and
25 practices set forth in this Complaint. DeNovellis resides in the Northern District of
26 California, and, in connection with the matters alleged herein, transacts or has
27 transacted business in this District and throughout the United States.
28

1 12. Defendant **Anacapa Media LLC** (“Anacapa”) is a California limited
2 liability company with its principal place of business in Los Angeles, California.
3 Anacapa transacts or has transacted business in this District and throughout the
4 United States.

5 13. Defendant **Wayne Calvin Byrd II** (“Byrd”) is the owner and sole
6 member of Anacapa. At all times material to this complaint, acting alone or in
7 concert with others, Byrd formulated, directed, controlled, had the authority to
8 control, or participated in the acts and practices of Anacapa, Tendenci, and Bear.
9 This includes forming Anacapa as a corporate entity and participating in the
10 formation of Tendenci as a corporate entity; arranging for Anacapa’s mail drop
11 addresses; serving as sole signatory on and managing Anacapa’s bank accounts;
12 registering its domain names; managing its websites, short codes, and short code
13 campaigns; and directing and/or participating in the other acts and practices set
14 forth in this Complaint. Defendant Byrd resides in this District and, in connection
15 with the matters alleged herein, transacts or has transacted business in this District
16 and throughout the United States.

17 14. Defendant **Bear Communications LLC** (“Bear”) is a California
18 limited liability company with its principal place of business in Los Angeles,
19 California. Bear transacts or has transacted business in this District and throughout
20 the United States.

21 15. Defendant **James Matthew Dawson** (“Dawson”) is the owner and
22 sole member of Bear. At all times material to this complaint, acting alone or in
23 concert with others, Dawson formulated, directed, controlled, had the authority to
24 control, or participated in the acts and practices of Bear, Tendenci, and Anacapa.
25 This includes forming Bear as a corporate entity; participating in the formation of
26 Tendenci and Anacapa as corporate entities; arranging for Bear’s mailing
27 addresses; serving as sole signatory on and managing Bear’s bank accounts;
28 registering Bear’s domain names; managing Bear’s domain names and

1 participating in the management of Tendenci's domain names; managing Bear's
2 short codes and short code campaigns; and directing and/or participating in the
3 other acts and practices set forth in this Complaint. Dawson resides in this District
4 and, in connection with the matters alleged herein, transacts or has transacted
5 business in this District and throughout the United States.

6 16. Defendant **Network One Commerce Inc.** ("Network One") is a
7 Nevada corporation with its principal place of business in San Diego, California.
8 Network One transacts or has transacted business in this District and throughout
9 the United States.

10 17. Defendant **Casey Lee Adkisson** ("Adkisson") is the sole owner and
11 officer of Network One. At all times material to this complaint, acting alone or in
12 concert with others, Adkisson formulated, directed, controlled, had the authority to
13 control, or participated in the acts and practices of Network One and Tendenci.
14 This includes forming Network One as a corporate entity; arranging for its mail
15 drop address; serving as sole signatory on and managing its bank accounts;
16 managing its short codes and short code campaigns; participating in Tendenci's
17 short code campaigns; and directing and/or participating in the other acts and
18 practices set forth in this Complaint. Adkisson resides in the Southern District of
19 California and, in connection with the matters alleged herein, transacts or has
20 transacted business in this District and throughout the United States.

21 COMMERCE

22 18. At all times material to this Complaint, Defendants have maintained a
23 substantial course of trade in or affecting commerce, as "commerce" is defined in
24 Section 4 of the FTC Act, 15 U.S.C. § 44.

25 DEFENDANTS' ACTIVITIES

26 19. Since at least 2012, MDK, Tendenci, Mindkontrol, Anacapa, Bear,
27 Network One, and their principals Kebede, Brekke, DeNovellis, Byrd, Dawson,
28 and Adkisson (collectively, "Defendants") have operated a scam in which they

1 have “crammed” unauthorized charges onto consumers’ mobile phone bills. Many
2 consumers have paid their mobile phone bills without ever noticing these charges;
3 others have paid and then unsuccessfully disputed the third-party charges without
4 obtaining a refund; still others have disputed the charges and succeeded in having
5 them removed only after substantial effort. Defendants have made millions of
6 dollars by engaging in these deceptive and unfair acts and practices.

7 **The Placement of Third-Party Charges on Mobile Phone Bills**

8 20. Text messages that are sent as “Premium SMS” texts are billed to the
9 recipient at a higher rate than the standard text message charge (also known as
10 “Short Message Service” or “SMS”) and/or are sent as part of a subscription to a
11 service for which there is a recurring monthly charge. A number of wireless phone
12 carriers have allowed third-party merchants, called “content providers,” to use the
13 carriers’ Premium SMS text message and billing infrastructures to deliver digital
14 goods or services (e.g., daily horoscopes or romance tips) to their customers’
15 mobile phones, and to collect payment for these goods and services through their
16 customers’ mobile phone bills.

17 21. To access a wireless phone carrier’s Premium SMS text message and
18 billing infrastructure, a content provider must first obtain authorization from the
19 wireless phone carrier to bill consumers for a specific good or service (often
20 referred to as a “program”) under a five- or six-digit number called a “short code.”
21 Taken together, the short code and program are referred to as the content
22 provider’s “short code campaign.” The wireless phone carrier allows content
23 providers to bill consumers on its Premium SMS billing platform through these
24 short code campaigns. This arrangement is facilitated through a third-party
25 intermediary known as an “aggregator.”

26 22. Under standard industry practice, a legitimate content provider
27 generally requires the consumer to take two affirmative steps to confirm the
28 consumer’s intention to purchase the content provider’s digital good or service, a

1 practice known as “double opt-in” verification. For example, a consumer who
2 visits a content provider’s web page advertisement and wants to subscribe to the
3 content provider’s program may initiate the subscription process by entering his or
4 her mobile phone number on that web page advertisement. The content provider
5 then sends to the consumer’s mobile phone a text message which includes a
6 description of the good or service, a four-digit personal identification number, and
7 instructions how to complete the opt-in process. The second opt-in step occurs
8 when the consumer enters the personal identification number back into the same
9 website to confirm his or her intent to subscribe to the content provider’s program.
10 This second opt-in step activates the consumer’s subscription. The content provider
11 then sends a text message to the consumer to confirm the subscription activation.

12 23. The content provider sends to the aggregator the mobile phone
13 numbers that it has authorization to bill. The aggregator then determines which
14 wireless carrier is associated with each consumer’s mobile phone number and
15 submits the Premium SMS charges to the appropriate wireless phone carrier for
16 placement on the consumer’s mobile phone bill. The consumer pays the wireless
17 phone carrier for the Premium SMS charges as part of his or her overall mobile
18 phone bill. The wireless phone carrier sends a portion of this money (net of its fees
19 and any refunds the carrier has made to consumers) to the aggregator. The
20 aggregator then transmits a portion of the money (net of its fees and any refunds
21 the aggregator has made to consumers) to the content provider.

22 **Defendants’ Cramming of Unauthorized Charges**
23 **onto Consumers’ Mobile Phone Bills**

24 24. The programs that Defendants purportedly sell to consumers consist
25 of subscriptions for periodic text messages sent to consumers’ mobile phones that
26 contain entertainment texts such as short celebrity gossip alerts, “fun facts,” and
27 horoscopes. Each of Defendants’ subscriptions typically costs \$9.99 or \$14.99 per
28 month and is set to renew automatically every month. Defendants have billed

1 consumers for these programs on the Premium SMS billing platforms of a number
2 of wireless phone carriers.

3 25. Unlike legitimate content providers, however, Defendants have placed
4 charges for these services on consumers' mobile phone bills without obtaining the
5 consumers' consent, whether through double opt-in verification or another
6 mechanism.

7 26. Defendants cram charges on consumers' mobile phone bills in at least
8 two ways. For some consumers, Defendants obtain consumers' mobile phone
9 numbers through deceptive website offers that lead consumers to believe they are
10 entering their mobile phone numbers and other personal information onto the
11 website in order to receive a "freebie" such as a gift card or discount coupon.
12 These "freebies" include a \$1,000 Walmart gift card from
13 <http://walmart.rewardhubzone.com> and a \$500 Target gift card from
14 <http://target4.net>, as well as coupons and other items from websites such as
15 <http://www.grandsavingscenter.com>, <http://free-coupons-everyday.com>,
16 <http://retailbrandprize.com>, <http://www.onlinegiftrewards.com>,
17 <http://www.consumergiftspot.com>, <http://bestbuyraffle.com>,
18 <http://www.freegasfairy.com>, and <http://iphone5.newrewardsdaily.com>.

19 27. Other consumers are billed by Defendants without having had any
20 prior contact with Defendants. In these instances, Defendants begin sending to the
21 consumers' mobile phones unsolicited text messages that many consumers assume
22 have been sent in error. Defendants begin cramming charges on consumers'
23 mobile phone bills contemporaneous with the sending of these unsolicited text
24 messages.

25 28. Regardless of the mechanism Defendants use to obtain consumers'
26 mobile phone numbers, Defendants misrepresent to wireless phone carriers that
27 consumers to whom they have sent unsolicited text messages have knowingly
28

1 subscribed to Defendants' text message subscription service and authorized the
2 placement of Premium SMS charges on their phone bills.

3 29. These billing practices have harmed consumers. The monthly charges
4 for these subscriptions are often difficult to find in the consumer's mobile phone
5 bill and listed in an abbreviated and confusing form. Many consumers do not
6 notice Defendants' charges included on their bills and pay their bills in full, thus
7 paying the unauthorized charge without realizing it. Further, the charges recur
8 unless and until the consumer takes action to unsubscribe.

9 30. Those consumers who notice and contest the unauthorized charges
10 have also been harmed. Consumers report that the process of disputing these
11 charges is frustrating and time-consuming. Some consumers have been crammed
12 for multiple months before noticing the charges and, even after significant effort,
13 are unable to obtain a full refund.

14 31. Wireless phone carriers have suspended or terminated a number of
15 Defendants' short codes because of these billing practices.

16 32. Despite these sanctions, Defendants have maintained their access to
17 these wireless phone carriers' Premium SMS billing platforms and have continued
18 to place charges on consumers' mobile phone bills. Defendants have
19 accomplished this by, among other things, providing false information to the
20 wireless phone carriers and operating under different names.

21 **Defendants' Participation and Control**

22 33. MDK began cramming charges in or around 2010. It ran numerous
23 short code campaigns under the names MDK, GMK Communications, and SE
24 Ventures, which have crammed charges on consumers' mobile phone bills. These
25 campaigns included "Quiz Alert" (on short code 60168), "Love Connection" and
26 "Destiny Horoscope" (both on short code 64651), "Special Secret Lover" (on short
27 code 68514), and "My Phone Beatz" and "The Stars Horoscopes" (both on short
28 code 79597). Kebede and MDK ran these campaigns on AT&T Mobility LLC

1 (“AT&T”); Sprint Spectrum, LP, also d/b/a Sprint PCS (“Sprint”); T-Mobile USA,
2 Inc. (“T-Mobile”); and Cellco Partnership also d/b/a Verizon Wireless (“Verizon”).
3 MDK’s billing privileges were terminated by Verizon in October 2011, and by
4 AT&T in July 2012. Despite these terminations, MDK continued to cram charges
5 using similar short code campaigns on other wireless phone carriers’ Premium
6 SMS billing platforms. MDK’s short code campaigns generated over \$19 million
7 in revenues for MDK.

8 34. Kebede and MDK also have recruited other content providers—
9 including Defendants Tendenci, Mindkontrol, Anacapa, Bear, and Network One,
10 and their principals Defendants Brekke, DeNovellis, Byrd, Dawson, and
11 Adkisson—to run short code campaigns and cram charges through the wireless
12 phone carriers’ Premium SMS billing platforms. Tendenci, Mindkontrol, Anacapa,
13 Bear, and Network One have generated substantial revenues from their cramming
14 activities and forwarded to MDK a substantial portion. Kebede and MDK have
15 made tens of millions of dollars from these deceptive and unfair business practices.
16 Brekke, Tendenci, DeNovellis, Mindkontrol, Byrd, Anacapa, Dawson, Bear,
17 Adkisson, and Network One retained the remainder as compensation for their role
18 in the scheme.

19 35. Defendant Tendenci began cramming charges in or around March
20 2012. Defendants Kebede, Brekke, Byrd, Dawson, and Adkisson directed and/or
21 participated in Tendenci’s fraudulent operations, which ran numerous short code
22 campaigns—including “My Phone Beatz” and “Text Groove” (both on short code
23 25260), “Smart Mobile Quiz” (on short code 70890), and “Texting Tips” (on short
24 code 83016) on T-Mobile, Sprint, and Verizon—and crammed charges onto
25 consumers’ mobile phone bills. Verizon terminated Tendenci’s billing privileges
26 in July 2012. Despite this termination, Tendenci continued to cram charges using
27 similar short code campaigns on other wireless phone carriers’ Premium SMS
28

1 billing platforms. Tendenci's short code campaigns generated over \$5 million in
2 revenues for Tendenci.

3 36. Defendant Mindkontrol began cramming charges in or around July
4 2012. Defendants Kebede and DeNovellis directed and/or participated in
5 Mindkontrol's fraudulent operations, which ran numerous short code campaigns—
6 including "My Eco Portal" and "Your True Fate Horoscopes" (both on short code
7 71573) on T-Mobile, Sprint, and AT&T—and crammed charges onto consumers'
8 mobile phone bills. These short code campaigns generated over \$11 million in
9 revenues for Mindkontrol.

10 37. Defendant Anacapa began cramming charges in or around July 2012.
11 Defendants Kebede, Byrd, and Dawson directed and participated in Anacapa's
12 fraudulent operations, which ran numerous short code campaigns—including
13 "Mobile Tune Club" (on short code 65815), "Love Match Score" (on short code
14 54480), and "My Mobile Nine" and "My Cosmic Sign" (both on short code 84653)
15 on T-Mobile, AT&T, and Sprint—and crammed charges on consumers' mobile
16 phone bills. These short code campaigns generated over \$22 million in revenues
17 for Anacapa.

18 38. Defendant Bear began cramming charges in or around October 2012.
19 Defendants Kebede, Dawson, and Byrd directed and participated in Bear's
20 fraudulent operations, which ran numerous short code campaigns—including
21 "Tons of Mobile" (on short code 21446), "Horoscopes Now" and "Ur Astrology"
22 (both on short code 27460), and "Text Fun 4 Phone" (on short code 95899) on
23 Sprint and Verizon—and crammed charges on consumers' mobile phone bills.
24 Verizon temporarily suspended Bear's billing privileges in January 2013. Despite
25 this, Bear continued to cram charges using similar short code campaigns on
26 Sprint's Premium SMS billing platform. Bear's short code campaigns generated
27 over \$4 million in revenues for Bear.
28

1 44. Therefore, Defendants' representations as set forth in Paragraph 42 of
2 this Complaint are false or misleading and constitute deceptive acts or practices in
3 violation of Section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

4 **COUNT II**

5 **Unfair Billing Practices in Violation of Section 5 of the FTC Act**

6 45. In numerous instances, Defendants have caused consumers' telephone
7 accounts to be billed without having previously obtained the consumers' express
8 informed consent.

9 46. Defendants' actions have caused or are likely to cause substantial
10 injury to consumers that consumers cannot reasonably avoid themselves and that is
11 not outweighed by countervailing benefits to consumers or competition.

12 47. Therefore, Defendants' practices as set forth in Paragraph 45
13 constitute unfair acts or practices in violation of Section 5 of the FTC Act,
14 15 U.S.C. § 45(a) and (n).

15 **CONSUMER INJURY**

16 48. Consumers have suffered and will continue to suffer substantial injury
17 as a result of Defendants' violations of the FTC Act. In addition, Defendants have
18 been unjustly enriched as a result of their unlawful acts or practices. Absent
19 injunctive relief by this Court, Defendants are likely to injure consumers, reap
20 unjust enrichment, and harm the public interest.

21 **THIS COURT'S POWER TO GRANT RELIEF**

22 49. Section 13(b) of the FTC Act, 15 U.S.C. § 53(b), empowers this Court
23 to grant injunctive and other such relief as the Court may deem appropriate to halt
24 and redress violations of any provision of law enforced by the FTC. The Court, in
25 the exercise of its equitable jurisdiction, may award ancillary relief, including
26 rescission or reformation of contracts, restitution, the refund of monies paid, and
27 the disgorgement of ill-gotten monies, to prevent and remedy any violation of any
28 provision of law enforced by the FTC.

1 **PRAYER FOR RELIEF**

2 Wherefore, Plaintiff FTC, pursuant to Section 13(b) of the FTC Act, § 53(b),
3 and the Court's own equitable powers, requests that the Court:

4 A. Award such preliminary and ancillary relief as may be necessary to
5 avert the likelihood of consumer injury during the pendency of this action and to
6 preserve the possibility of effective final relief, including, but not limited to, a
7 temporary and preliminary injunction, asset freeze, appointment of a receiver, an
8 evidence preservation order, and expedited discovery;

9 B. Enter a permanent injunction to prevent future violations of the FTC
10 Act by Defendants;

11 C. Award such relief as the Court finds necessary to redress injury to
12 consumers resulting from Defendants' violations of the FTC Act, including, but
13 not limited to, rescission and reformation of contracts, restitution, the refund of
14 monies paid, and the disgorgement of ill-gotten monies;

15 D. Award Plaintiff the costs of bringing this action, as well as such other
16 and additional relief as the Court may determine to be just and proper.

17
18 Dated: **JUL 1 2014**

Respectfully submitted,

19 David C. Shonka
20 Acting General Counsel

21 

22 Faye Chen Barnouw
23 Maricela Segura
24 Attorneys for Plaintiff
25 Federal Trade Commission
26
27
28

UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
CIVIL COVER SHEETI. (a) PLAINTIFFS (Check box if you are representing yourself ☐)

Federal Trade Commission

(b) County of Residence of First Listed Plaintiff

(EXCEPT IN U.S. PLAINTIFF CASES)

DEFENDANTS (Check box if you are representing yourself ☐)

see attached caption

County of Residence of First Listed Defendant

(IN U.S. PLAINTIFF CASES ONLY)

(c) Attorneys (Firm Name, Address and Telephone Number) If you are representing yourself, provide the same information.

Attorneys (Firm Name, Address and Telephone Number) If you are representing yourself, provide the same information.

Faye Chen Barnouw, Maricela Segura
Federal Trade Commission
10877 Wilshire Blvd, Ste 700 Los Angeles, CA 90024 213-824-4343

II. BASIS OF JURISDICTION (Place an X in one box only.)

☒ 1. U.S. Government Plaintiff☐ 3. Federal Question (U.S. Government Not a Party)☐ 2. U.S. Government Defendant☐ 4. Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES-For Diversity Cases Only (Place an X in one box for plaintiff and one for defendant)

	PTF	DEF		PTF	DEF
Citizen of This State	<input type="checkbox"/> 1	<input type="checkbox"/> 1	Incorporated or Principal Place of Business in this State	<input type="checkbox"/> 4	<input type="checkbox"/> 4
Citizen of Another State	<input type="checkbox"/> 2	<input type="checkbox"/> 2	Incorporated and Principal Place of Business in Another State	<input type="checkbox"/> 5	<input type="checkbox"/> 5
Citizen or Subject of a Foreign Country	<input type="checkbox"/> 3	<input type="checkbox"/> 3	Foreign Nation	<input type="checkbox"/> 6	<input type="checkbox"/> 6

IV. ORIGIN (Place an X in one box only.)

☒ 1. Original Proceeding
 ☐ 2. Removed from State Court
 ☐ 3. Remanded from Appellate Court
 ☐ 4. Reinstated or Reopened
 ☐ 5. Transferred from Another District (Specify)
 ☐ 6. Multi-District Litigation
V. REQUESTED IN COMPLAINT: JURY DEMAND: ☐ Yes ☒ No (Check "Yes" only if demanded in complaint.)CLASS ACTION under F.R.Cv.P. 23: ☐ Yes ☒ No ☐ MONEY DEMANDED IN COMPLAINT: \$

VI. CAUSE OF ACTION (Cite the U.S. Civil Statute under which you are filing and write a brief statement of cause. Do not cite jurisdictional statutes unless diversity.)

15 U.S.C. § 45(a)

VII. NATURE OF SUIT (Place an X in one box only.)

OTHER STATUTES	CONTRACT	REAL PROPERTY CONT.	IMMIGRATION	PRISONER PETITIONS	PROPERTY RIGHTS
<input type="checkbox"/> 375 False Claims Act	<input type="checkbox"/> 110 Insurance	<input type="checkbox"/> 240 Torts to Land	<input type="checkbox"/> 462 Naturalization Application	Habeas Corpus:	<input type="checkbox"/> 820 Copyrights
<input type="checkbox"/> 400 State Reapportionment	<input type="checkbox"/> 120 Marine	<input type="checkbox"/> 245 Tort Product Liability	<input type="checkbox"/> 465 Other Immigration Actions	<input type="checkbox"/> 463 Alien Detainee	<input type="checkbox"/> 830 Patent
<input type="checkbox"/> 410 Antitrust	<input type="checkbox"/> 130 Miller Act	<input type="checkbox"/> 290 All Other Real Property	TORTS	<input type="checkbox"/> 510 Motions to Vacate Sentence	<input type="checkbox"/> 840 Trademark
<input type="checkbox"/> 430 Banks and Banking	<input type="checkbox"/> 140 Negotiable Instrument	PERSONAL INJURY	PERSONAL PROPERTY	<input type="checkbox"/> 530 General	SOCIAL SECURITY
<input type="checkbox"/> 450 Commerce/ICC Rates/Etc.	<input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment	<input type="checkbox"/> 310 Airplane	<input type="checkbox"/> 370 Other Fraud	<input type="checkbox"/> 535 Death Penalty	<input type="checkbox"/> 861 HIA (1395ff)
<input type="checkbox"/> 460 Deportation	<input type="checkbox"/> 151 Medicare Act	<input type="checkbox"/> 315 Airplane Product Liability	<input type="checkbox"/> 371 Truth in Lending	Other:	<input type="checkbox"/> 862 Black Lung (923)
<input type="checkbox"/> 470 Racketeer Influenced & Corrupt Org.	<input type="checkbox"/> 152 Recovery of Defaulted Student Loan (Excl. Vet.)	<input type="checkbox"/> 320 Assault, Libel & Slander	<input type="checkbox"/> 380 Other Personal Property Damage	<input type="checkbox"/> 540 Mandamus/Other	<input type="checkbox"/> 863 DIWC/DIWW (405 (g))
<input type="checkbox"/> 480 Consumer Credit	<input type="checkbox"/> 153 Recovery of Overpayment of Vet. Benefits	<input type="checkbox"/> 330 Fed. Employers' Liability	<input type="checkbox"/> 385 Property Damage Product Liability	<input type="checkbox"/> 550 Civil Rights	<input type="checkbox"/> 864 SSID Title XVI
<input type="checkbox"/> 490 Cable/Sat TV	<input type="checkbox"/> 160 Stockholders' Suits	<input type="checkbox"/> 340 Marine	BANKRUPTCY	<input type="checkbox"/> 555 Prison Condition	<input type="checkbox"/> 865 RSI (405 (g))
<input type="checkbox"/> 850 Securities/Commodities/Exchange	<input type="checkbox"/> 190 Other Contract	<input type="checkbox"/> 345 Marine Product Liability	<input type="checkbox"/> 422 Appeal 28 USC 158	<input type="checkbox"/> 560 Civil Detainee Conditions of Confinement	FEDERAL TAX SUITS
<input checked="" type="checkbox"/> 890 Other Statutory Actions	<input type="checkbox"/> 195 Contract Product Liability	<input type="checkbox"/> 350 Motor Vehicle Product Liability	<input type="checkbox"/> 423 Withdrawal 28 USC 157	FORFEITURE/PENALTY	<input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant)
<input type="checkbox"/> 891 Agricultural Acts	<input type="checkbox"/> 196 Franchise	<input type="checkbox"/> 355 Motor Vehicle Product Liability	CIVIL RIGHTS	<input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881	<input type="checkbox"/> 871 IRS-Third Party 26 USC 7609
<input type="checkbox"/> 893 Environmental Matters	REAL PROPERTY	<input type="checkbox"/> 360 Other Personal Injury	<input type="checkbox"/> 440 Other Civil Rights	<input type="checkbox"/> 690 Other	
<input type="checkbox"/> 895 Freedom of Info. Act	<input type="checkbox"/> 210 Land Condemnation	<input type="checkbox"/> 362 Personal Injury Med Malpractice	<input type="checkbox"/> 441 Voting	LABOR	
<input type="checkbox"/> 896 Arbitration	<input type="checkbox"/> 220 Foreclosure	<input type="checkbox"/> 365 Personal Injury Product Liability	<input type="checkbox"/> 442 Employment	<input type="checkbox"/> 710 Fair Labor Standards Act	
<input type="checkbox"/> 899 Admin. Procedures Act/Review of Appeal of Agency Decision	<input type="checkbox"/> 230 Rent Lease & Ejectment	<input type="checkbox"/> 367 Health Care/Pharmaceutical Personal Injury Product Liability	<input type="checkbox"/> 443 Housing/Accommodations	<input type="checkbox"/> 720 Labor/Mgmt. Relations	
<input type="checkbox"/> 950 Constitutionality of State Statutes		<input type="checkbox"/> 368 Asbestos Personal Injury Product Liability	<input type="checkbox"/> 445 American with Disabilities-Employment	<input type="checkbox"/> 740 Railway Labor Act	
			<input type="checkbox"/> 446 American with Disabilities-Other	<input type="checkbox"/> 751 Family and Medical Leave Act	
			<input type="checkbox"/> 448 Education	<input type="checkbox"/> 790 Other Labor Litigation	
				<input type="checkbox"/> 791 Employee Ret. Inc. Security Act	

FOR OFFICE USE ONLY:

Case Number:

CV-71 (06/14)

CIVIL COVER SHEET

CV14-5099

Page 1 of 3

**UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
CIVIL COVER SHEET**

VIII. VENUE: Your answers to the questions below will determine the division of the Court to which this case will be initially assigned. This initial assignment is subject to change, in accordance with the Court's General Orders, upon review by the Court of your Complaint or Notice of Removal.

QUESTION A: Was this case removed from state court? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "no," skip to Question B. If "yes," check the box to the right that applies, enter the corresponding division in response to Question E, below, and continue from there.	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th align="center" colspan="2">STATE CASE WAS PENDING IN THE COUNTY OF:</th> <th align="center">INITIAL DIVISION IN EACH CASE:</th> </tr> <tr> <td><input type="checkbox"/> Los Angeles, Ventura, Santa Barbara, or San Luis Obispo</td> <td></td> <td align="center">Western</td> </tr> <tr> <td><input type="checkbox"/> Orange</td> <td></td> <td align="center">Southern</td> </tr> <tr> <td><input type="checkbox"/> Riverside or San Bernardino</td> <td></td> <td align="center">Eastern</td> </tr> </table>	STATE CASE WAS PENDING IN THE COUNTY OF:		INITIAL DIVISION IN EACH CASE:	<input type="checkbox"/> Los Angeles, Ventura, Santa Barbara, or San Luis Obispo		Western	<input type="checkbox"/> Orange		Southern	<input type="checkbox"/> Riverside or San Bernardino		Eastern	
STATE CASE WAS PENDING IN THE COUNTY OF:		INITIAL DIVISION IN EACH CASE:												
<input type="checkbox"/> Los Angeles, Ventura, Santa Barbara, or San Luis Obispo		Western												
<input type="checkbox"/> Orange		Southern												
<input type="checkbox"/> Riverside or San Bernardino		Eastern												
QUESTION B: Is the United States, or one of its agencies or employees, a PLAINTIFF in this action? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If "no," skip to Question C. If "yes," answer Question B.1, at right.	B.1. Do 50% or more of the defendants who reside in the district reside in Orange Co? <i>check one of the boxes to the right</i> →	<input type="checkbox"/> YES. Your case will initially be assigned to the Southern Division. Enter "Southern" in response to Question E, below, and continue from there. <input type="checkbox"/> NO. Continue to Question B.2.												
	B.2. Do 50% or more of the defendants who reside in the district reside in Riverside and/or San Bernardino Counties? (Consider the two counties together.) <i>check one of the boxes to the right</i> →	<input type="checkbox"/> YES. Your case will initially be assigned to the Eastern Division. Enter "Eastern" in response to Question E, below, and continue from there. <input type="checkbox"/> NO. Your case will initially be assigned to the Western Division. Enter "Western" in response to Question E, below, and continue from there.												
QUESTION C: Is the United States, or one of its agencies or employees, a DEFENDANT in this action? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "no," skip to Question D. If "yes," answer Question C.1, at right.	C.1. Do 50% or more of the plaintiffs who reside in the district reside in Orange Co? <i>check one of the boxes to the right</i> →	<input type="checkbox"/> YES. Your case will initially be assigned to the Southern Division. Enter "Southern" in response to Question E, below, and continue from there. <input type="checkbox"/> NO. Continue to Question C.2.												
	C.2. Do 50% or more of the plaintiffs who reside in the district reside in Riverside and/or San Bernardino Counties? (Consider the two counties together.) <i>check one of the boxes to the right</i> →	<input type="checkbox"/> YES. Your case will initially be assigned to the Eastern Division. Enter "Eastern" in response to Question E, below, and continue from there. <input type="checkbox"/> NO. Your case will initially be assigned to the Western Division. Enter "Western" in response to Question E, below, and continue from there.												
QUESTION D: Location of plaintiffs and defendants? Indicate the location(s) in which 50% or more of <i>plaintiffs who reside in this district</i> reside. (Check up to two boxes, or leave blank if none of these choices apply.) Indicate the location(s) in which 50% or more of <i>defendants who reside in this district</i> reside. (Check up to two boxes, or leave blank if none of these choices apply.)	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <th align="center">A. Orange County</th> <th align="center">B. Riverside or San Bernardino County</th> <th align="center">C. Los Angeles, Ventura, Santa Barbara, or San Luis Obispo County</th> </tr> <tr> <td align="center"><input type="checkbox"/></td> <td align="center"><input type="checkbox"/></td> <td align="center"><input checked="" type="checkbox"/></td> </tr> <tr> <td align="center"><input type="checkbox"/></td> <td align="center"><input type="checkbox"/></td> <td align="center"><input checked="" type="checkbox"/></td> </tr> </table>	A. Orange County	B. Riverside or San Bernardino County	C. Los Angeles, Ventura, Santa Barbara, or San Luis Obispo County	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>				
A. Orange County	B. Riverside or San Bernardino County	C. Los Angeles, Ventura, Santa Barbara, or San Luis Obispo County												
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>												
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>												
D.1. Is there at least one answer in Column A? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "yes," your case will initially be assigned to the SOUTHERN DIVISION. Enter "Southern" in response to Question E, below, and continue from there. If "no," go to question D2 to the right. →	D.2. Is there at least one answer in Column B? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "yes," your case will initially be assigned to the EASTERN DIVISION. Enter "Eastern" in response to Question E, below. If "no," your case will be assigned to the WESTERN DIVISION. Enter "Western" in response to Question E, below. ↓													
QUESTION E: Initial Division? Enter the Initial division determined by Question A, B, C, or D above: →	INITIAL DIVISION IN EACH CASE: <div style="font-size: 1.5em; font-family: cursive;">Los Angeles</div>													
QUESTION F: Northern Counties? Do 50% or more of plaintiffs or defendants in this district reside in Ventura, Santa Barbara, or San Luis Obispo counties? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No														

UNITED STATES DISTRICT COURT, CENTRAL DISTRICT OF CALIFORNIA
CIVIL COVER SHEETIX(a). **IDENTICAL CASES:** Has this action been previously filed in this court?☒ NO☐ YES

If yes, list case number(s): _____

IX(b). **RELATED CASES:** Is this case related (as defined below) to any cases previously filed in this court?☒ NO☐ YES

If yes, list case number(s): _____

Civil cases are related when they:

- ☐ A. Arise from the same or closely related transactions, happening, or event;
- ☐ B. Call for determination of the same or substantially related or similar questions of law and fact; or
- ☐ C. For other reasons would entail substantial duplication of labor if heard by different judges.

Check all boxes that apply. That cases may involve the same patent, trademark, or copyright is not, in itself, sufficient to deem cases related.

X. **SIGNATURE OF ATTORNEY**

(OR SELF-REPRESENTED LITIGANT):



DATE: 7-1-2014

Notice to Counsel/Parties: The submission of this Civil Cover Sheet is required by Local Rule 3-1. This Form CV-71 and the information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. For more detailed instructions, see separate instruction sheet (CV-071A).

Key to Statistical codes relating to Social Security Cases:

Nature of Suit Code	Abbreviation	Substantive Statement of Cause of Action
861	HIA	All claims for health insurance benefits (Medicare) under Title 18, Part A, of the Social Security Act, as amended. Also, include claims by hospitals, skilled nursing facilities, etc., for certification as providers of services under the program. (42 U.S.C. 1935ff(b))
862	BL	All claims for "Black Lung" benefits under Title 4, Part B, of the Federal Coal Mine Health and Safety Act of 1969. (30 U.S.C. 923)
863	DIWC	All claims filed by insured workers for disability insurance benefits under Title 2 of the Social Security Act, as amended; plus all claims filed for child's insurance benefits based on disability. (42 U.S.C. 405 (g))
863	DIWW	All claims filed for widows or widowers insurance benefits based on disability under Title 2 of the Social Security Act, as amended. (42 U.S.C. 405 (g))
864	SSID	All claims for supplemental security income payments based upon disability filed under Title 16 of the Social Security Act, as amended.
865	RSI	All claims for retirement (old age) and survivors benefits under Title 2 of the Social Security Act, as amended. (42 U.S.C. 405 (g))

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 2 FAYE CHEN BARNOUW, CA Bar No. 168631
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 3 MARICELA SEGURA, CA Bar No. 225999
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 4 Federal Trade Commission
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 5 Los Angeles, CA 90024
 Tel: (310) 824-4343
 6 Fax: (310) 824-4380

7 Attorneys for the Plaintiff
 8 Federal Trade Commission

9 UNITED STATES DISTRICT COURT
 10 CENTRAL DISTRICT OF CALIFORNIA

11 FEDERAL TRADE COMMISSION,

Case No.

12 Plaintiff,

13 v.

COMPLAINT FOR PERMANENT
 INJUNCTION AND OTHER
 EQUITABLE RELIEF

14 MDK MEDIA INC., a California
 corporation also doing business as SE
 15 VENTURES, GMK COMMUNICATIONS,
 and EMG;

16 MAKONNEN DEMESSOW KEBEDE,
 17 individually and as an officer and owner of
 MDK Media Inc.;

18 TENDENCI MEDIA LLC, a California
 19 limited liability company;

20 SARAH ANN BREKKE, individually and
 21 as a member of Tendenci Media LLC;

22 MINDKONTROL INDUSTRIES LLC, a
 California limited liability company;

23 CHRISTOPHER THOMAS
 24 DENOVELLIS, individually and as a
 member of Mindkontrol Industries LLC;

25 ANACAPA MEDIA LLC, a California
 26 limited liability company;

27 WAYNE CALVIN BYRD II, individually
 28 and as a member of Anacapa Media LLC;

1 BEAR COMMUNICATIONS LLC, a
2 California limited liability company;

3 JAMES MATTHEW DAWSON,
4 individually and as a member of Bear
Communications LLC;

5 NETWORK ONE COMMERCE INC., a
Nevada corporation; and

6 CASEY LEE ADKISSON, individually and
7 as an officer and owner of Network One
Commerce Inc.,

8 Defendants.
9

I hereby attest and certify on 7/11/2014
that the foregoing document is a full, true
and correct copy of the original on file in
my office, and in my legal custody.

CLERK U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
[Signature]
DEPUTY CLERK



EXHIBIT B

1 DAVID C. SHONKA
 2 Acting General Counsel
 3 FAYE CHEN BARNOUW, CA Bar No. 168631
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 5 MARICELA SEGURA, CA Bar No. 225999
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 11 Fax: (310) 824-4380



7 Attorneys for the Plaintiff
 8 Federal Trade Commission

9 UNITED STATES DISTRICT COURT
 10 CENTRAL DISTRICT OF CALIFORNIA

11
 12 FEDERAL TRADE COMMISSION,

13 Plaintiff,

14 v.

15 MDK MEDIA INC., a California
 16 corporation also doing business as SE
 17 VENTURES, GMK COMMUNICATIONS,
 18 and EMG;

19 MAKONNEN DEMESSOW KEBEDE,
 20 individually and as an officer and owner of
 21 MDK Media Inc.;

22 TENDENCI MEDIA LLC, a California
 23 limited liability company;

24 SARAH ANN BREKKE, individually and
 25 as a member of Tendenci Media LLC;

26 MINDKONTROL INDUSTRIES LLC, a
 27 California limited liability company;

28 CHRISTOPHER THOMAS
 DENOVELLIS, individually and as a
 member of Mindkontrol Industries LLC;

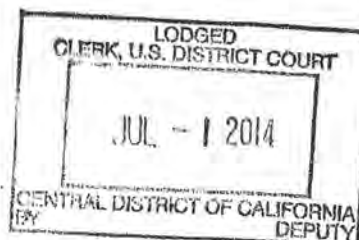
ANACAPA MEDIA LLC, a California
 limited liability company;

WAYNE CALVIN BYRD II, individually
 and as a member of Anacapa Media LLC;

Case No.

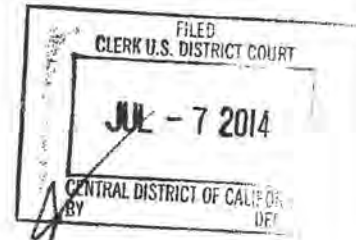
CV14-5099 JFW-SHX

[Proposed]
 TEMPORARY RESTRAINING
 ORDER WITH ASSET FREEZE,
 APPOINTMENT OF
 TEMPORARY RECEIVER, AND
 OTHER EQUITABLE RELIEF,
 AND ORDER TO SHOW CAUSE
 WHY A PRELIMINARY
 INJUNCTION SHOULD NOT
 ISSUE AND A PERMANENT
 RECEIVER SHOULD NOT BE
 APPOINTED



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7 Attorneys for the Plaintiff
 8 Federal Trade Commission



9 UNITED STATES DISTRICT COURT
 10 CENTRAL DISTRICT OF CALIFORNIA

11
 12 FEDERAL TRADE COMMISSION,
 13 Plaintiff,
 14 v.

15 MDK MEDIA INC., a California
 corporation also doing business as SE
 16 VENTURES; GMK COMMUNICATIONS,
 and EMG;

17 MAKONNEN DEMESSOW KEBEDE,
 18 individually and as an officer and owner of
 MDK Media Inc.;

19 TENDENCI MEDIA LLC, a California
 20 limited liability company;

21 SARAH ANN BREKKE, individually and
 as a member of Tendenci Media LLC;

22 MINDKONTROL INDUSTRIES LLC, a
 23 California limited liability company;

24 CHRISTOPHER THOMAS
 25 DENOVELLIS, individually and as a
 member of Mindkontrol Industries LLC;

26 ANACAPA MEDIA LLC, a California
 27 limited liability company;

28 WAYNE CALVIN BYRD II, individually
 and as a member of Anacapa Media LLC;

Case No.
 CV14-5099 JFW-SH

[Proposed]
 TEMPORARY RESTRAINING
 ORDER WITH ASSET FREEZE,
 APPOINTMENT OF
 TEMPORARY RECEIVER, AND
 OTHER EQUITABLE RELIEF,
 AND ORDER TO SHOW CAUSE
 WHY A PRELIMINARY
 INJUNCTION SHOULD NOT
 ISSUE AND A PERMANENT
 RECEIVER SHOULD NOT BE
 APPOINTED



1 BEAR COMMUNICATIONS LLC, a
California limited liability company;

2 JAMES MATTHEW DAWSON,
3 individually and as a member of Bear
Communications LLC;

4 NETWORK ONE COMMERCE INC., a
5 Nevada corporation; and

6 CASEY LEE ADKISSON, individually and
7 as an officer and owner of Network One
Commerce Inc.,

8 Defendants.

9
10 Plaintiff Federal Trade Commission ("FTC"), has filed a Complaint for
11 Injunctive and other Equitable Relief pursuant to Section 13(b) of the Federal
12 Trade Commission Act ("FTC Act"), 15 U.S.C. § 53(b), and has applied *ex parte*
13 for the issuance of a Temporary Restraining Order ("TRO") pursuant to Rule 65 of
14 the Federal Rules of Civil Procedure. The Court having considered the Complaint,
15 Plaintiff's *ex parte* TRO application, and the memorandum of points and
16 authorities and other materials filed in support thereof, finds that:

17 ORDER

18 **FINDINGS OF FACT**

19 1. This Court has jurisdiction over the subject matter of this case. There
20 is also good cause to believe the Court will have jurisdiction over all parties hereto,
21 and that venue in this district is proper.

22 2. There is good cause to believe that Defendants MDK Media Inc. also
23 d/b/a "SE Ventures," "GMK Communications," and "EMG"; Makonnen
24 Demessow Kebede; Tendenci Media LLC; Sarah Anne Brekke; MindKontrol
25 Industries LLC; Christopher Thomas DeNovellis; Anacapa Media LLC; Wayne
26 Calvin Byrd II; Bear Communications LLC; James Matthew Dawson; Network
27 One Commerce, Inc.; and Casey Lee Adkisson (collectively "Defendants") have
28

1 engaged in and are likely to engage in acts or practices that violate Section 5(a) of
2 the FTC Act, 15 U.S.C. § 45(a), and that the FTC is likely to prevail on the merits
3 of this action.

4 3. There is good cause to believe that consumers will suffer immediate
5 and continuing harm unless Defendants are restrained and enjoined by Order of
6 this Court.

7 4. Good cause exists for appointing a temporary receiver over Corporate
8 Defendants MDK Media Inc. also d/b/a "SE Ventures," "GMK Communications,"
9 and "EMG"; Tendenci Media LLC; MindKontrol Industries LLC; Anacapa Media
10 LLC; Bear Communications LLC; and Network One Commerce, Inc. ("Corporate
11 Defendants").

12 5. Weighing the equities and considering the FTC's likelihood of
13 ultimate success, a TRO with an asset freeze, the appointment of a temporary
14 receiver, limited expedited discovery as to the existence and location of assets, and
15 other equitable relief is in the public interest.

16 6. No security is required of any agency of the United States for issuance
17 of a restraining order. Fed. R. Civ. P. 65(c).

18 **DEFINITIONS**

19 For purposes of this Order, the following definitions shall apply:

20 1. "Asset" or "Assets" means any legal or equitable interest in, right to,
21 or claim to, any real or personal property of Defendants, or held for the benefit of
22 Defendants, wherever located, whether in the United States or abroad, including
23 but not limited to chattels, goods, instruments, equipment, fixtures, general
24 intangibles, effects, leaseholds, contracts, mail or other deliveries, inventory,
25 checks, notes, accounts, credits, receivables (as those terms are defined in the
26
27
28

1 Uniform Commercial Code), shares of stock, futures, and all cash and currency,
2 trusts, including but not limited to any trust held for the benefit of any Defendant,
3 any Individual Defendant's minor children, or any of the Individual Defendants'
4 spouses, and shall include both existing assets and assets acquired after entry of
5 this Order.

6 2. **"Corporate Defendants"** means MDK Media Inc., also d/b/a "SE
7 Ventures," "GMK Communications," and "EMG"; Tendenci Media LLC;
8 MindKontrol Industries LLC; Anacapa Media LLC; Bear Communications LLC;
9 Network One Commerce Inc.; and their d/b/a's, successors, and assigns.

10 3. **"Defendants"** means all of the Individual Defendants and Corporate
11 Defendants individually, collectively, or in any combination.

12 4. **"Document"** and **"Electronically Stored Information"** are
13 synonymous in meaning and equal in scope to the usage of the terms in Rule 34(a)
14 of the Federal Rules of Civil Procedure and include, but are not limited to:
15

16 a. The original or a true copy of any written, typed, printed,
17 electronically stored, transcribed, taped, recorded, filmed, punched, or graphic
18 matter or other data compilations of any kind, including, but not limited to, letters,
19 email, or other correspondence, messages, memoranda, interoffice
20 communications, notes, reports, summaries, manuals, magnetic tapes or discs,
21 tabulations, books, records, checks, invoices, work papers, journals, ledgers,
22 statements, returns, reports, schedules, or files; and

23 b. Any electronically stored information stored on any server,
24 smartphone, or any type of mobile device, flash drives, personal digital assistants
25 ("PDAs"), desktops computer and workstations, laptops notebooks, and other
26 portable computers, or other electronic storage media, whether assigned to
27 individuals or in pools of computers available for shared use, or personally owned
28

1 but used for work-related purposes; backup disks and tapes, archive disks and
2 tapes, and other forms of offline storage, whether stored onsite with the computer
3 used to generate them, stored offsite in another computer facility, or stored, hosted,
4 or otherwise maintained offsite by a third party; and computers and related offline
5 storage used by Defendants or Defendants' participating associates, which may
6 include persons who are not employees of the company or who do not work on
7 company premises.

8 5. **"Electronic Data Host"** means any person or entity in the business of
9 storing, hosting, or otherwise maintaining electronically stored information.

10 6. **"Financial Institution"** means any bank, savings and loan institution,
11 credit union, or any financial depository of any kind, including, but not limited to,
12 any brokerage house, trustee, broker-dealer, escrow agent, title company,
13 commodity trading company, or precious metal dealer.

14 7. **"Individual Defendants"** means Makonnen Demessow Kebede,
15 Sarah Anne Brekke, Christopher Thomas DeNovellis, Wayne Calvin Byrd II,
16 James Matthew Dawson, and Casey Lee Adkisson.

17 8. **"Person"** means any individual, group, unincorporated association,
18 limited general partnership, corporation, or other business entity.

19 9. **"Receivership Defendants"** refers to Corporate Defendants, as well
20 as any successors, assigns, affiliates, and subsidiaries that conduct any business
21 related to Defendants' placement of third party charges on mobile phone bills and
22 which the Temporary Receiver has reason to believe are owned or controlled in
23 whole or in part by any of the Defendants.
24
25
26
27
28

I.**PROHIBITED PRACTICES**

IT IS HEREBY ORDERED that Defendants, directly or through any corporation, partnership, subsidiary, division, trade name, or other device, and their officers, agents, servants, employees, attorneys, and those persons or entities in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, are temporarily restrained and enjoined from placing or assisting others in placing any charge on a consumer's telephone bill, or from representing or assisting others in representing, directly or indirectly, expressly or by implication, that a consumer is obligated to pay any charge on a telephone bill, unless Defendants have obtained the consumer's express informed consent to the charge and Defendants have made and maintained a record of the consent.

II.**PROHIBITION REGARDING CONSUMER INFORMATION**

IT IS FURTHER ORDERED that Defendants, directly or through any corporation, partnership, subsidiary, division, trade name, or other device, and their officers, agents, servants, employees, and attorneys, and those persons or entities in active concert or participation with them who receive actual notice of this Order by personal service or otherwise, are temporarily restrained and enjoined from selling, transferring, or disclosing consumer information, including the name, address, telephone number, email address, social security number, birthdate, or other identifying information, or any other data that enables access to a consumer's account (including, but not limited to, a credit card, bank account, telephone billing account or other financial account), of any person or entity, which Defendants obtained prior to entry of this Order in connection with Defendants' services.

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III.

ASSET FREEZE

IT IS FURTHER ORDERED that Defendants and their officers, agents, servants, employees, and attorneys, and all other persons or entities in active concert or participation with any of them who receive actual notice of this Order by personal service or otherwise, each are hereby temporarily restrained and enjoined from directly or indirectly:

- A. Selling, liquidating, assigning, transferring, converting, loaning, hypothecating, disbursing, gifting, conveying, encumbering, pledging, concealing, dissipating, spending, withdrawing, granting a lien or security interest or other interest in, or otherwise disposing of any asset (including but not limited to funds, real or personal property, contracts, and consumer lists), or any interest therein, wherever located, including any asset outside the territorial United States that is:
1. owned or controlled by any of the Defendants, in whole or in part;
 2. in the actual or constructive possession of any Defendant;
 3. held by an agent of any of the Defendants, as a retainer for the agent's provision of services to a Defendant;
 4. owned, controlled by, or in the actual constructive possession of, or otherwise held for the benefit of, any corporation, partnership, or other entity directly or indirectly owned or controlled by any of the Defendants; including, but not limited to, assets held by any Defendant in any account at any bank or savings and loan institution, such as accounts over which the Individual Defendants have signatory authority, with any broker-dealer, escrow agent, title company, precious metal dealer, transaction processor, customer service agent, commercial mail receiving or forwarding agency, or other financial institution of any kind.
- B. Opening, or causing to be opened, any safe-deposit boxes titled in the name of or subject to access by any Defendant;

1 C. Incurring charges or cash advances on any credit card, stored value
2 card, debit card, or charge card issued in the name, singly or jointly, of any
3 Defendant or any other entity directly or indirectly owned, managed, or controlled
4 by any Defendant;

5 D. Failing to disclose to the FTC, immediately upon service of this
6 Order, information that fully identifies each asset of the Defendants, and each
7 entity holding such asset, including, but not limited to, the entity's name, address,
8 and telephone number, the number of the account, and the name under which the
9 account is held.

10 *Provided*, that the freeze imposed in this Section shall be construed to
11 exclude assets that any of the Defendants acquires following service of this Order,
12 but only if the Defendant can prove that such assets are not derived from activity
13 prohibited by this Order. *Provided further*, that this Section does not prohibit
14 transfers to the Temporary Receiver as specifically required by this Order.

15 **IV.**

16 **RETENTION OF ASSETS AND DOCUMENTS BY THIRD PARTIES**

17 IT IS FURTHER ORDERED that any financial or brokerage institution,
18 business entity, electronic data host, or person served with a copy of this Order that
19 holds, controls, or maintains custody of any account, document, electronically
20 stored information, or asset of, on behalf of, in the name of, for the benefit of,
21 subject to withdrawal by, subject to access or use by, or under the signatory power
22 of any Defendant or other party subject to Section III above, or has held,
23 controlled, or maintained any such account, document, electronically stored
24 information, or asset, shall:

25 A. Hold, preserve, and retain within its control and prohibit the removal,
26 withdrawal, transfer, encumbrance, pledge, assignment, dissipation, sale,
27 alteration, or other disposal of any such account, other asset, or documents, except
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1 as directed in writing by counsel for the FTC, by the Temporary Receiver (with
2 respect to assets of any of the Receivership Defendants), or by further order of this
3 Court;

4 B. Provide the Temporary Receiver, the FTC, and their agents access to
5 electronically stored information stored, hosted, or otherwise maintained on behalf
6 of Defendants for forensic imaging;

7 C. Deny access to any safe deposit box titled individually or jointly in the
8 name of, or otherwise subject to access by, any of the Defendants;

9 D. Provide to the FTC and to the Temporary Receiver, within five (5)
10 business days of notice of this Order, a sworn statement setting forth:

11 1. The identification of each account or asset;
12 2. The balance of each account or a description of the nature and
13 value of each asset as of the close of business on the day notification of this Order
14 is received, and, if the account or asset has been closed or moved, the balance or
15 value removed and the person or entity to whom it was transferred; and

16 3. The identification of any safe-deposit box titled in the name of
17 or subject to access by any of the Defendants.

18 E. Upon request by counsel for the FTC (or by the Temporary Receiver,
19 with respect to assets held for any of the Receivership Defendants), promptly
20 provide the FTC or the Temporary Receiver with copies of all records or other
21 documentation pertaining to such account or asset, including but not limited to
22 originals or copies of account applications, account statements, signature cards,
23 checks, drafts, deposit tickets, transfers to and from the accounts, all other debit
24 and credit instruments or slips, currency transaction reports, 1099 forms, and safe-
25 deposit box logs; and
26

27 F. At the direction of the FTC (or the Temporary Receiver, with respect
28 to assets held for any of the Receivership Defendants), and without further order of

1 this Court, convert any stocks, bonds, options, mutual funds, or other securities to
2 their cash equivalents.

3 IT IS FURTHER ORDERED that the accounts subject to this provision
4 include existing assets and assets deposited after the effective date of this Order.
5 This Section shall not prohibit transfers in accordance with any provision of this
6 Order, or any further order of the Court.

7 V.

8 FINANCIAL REPORTS

9 IT IS FURTHER ORDERED that within three (3) business days of service
10 of this Order:

11 A. Each of the Individual Defendants shall complete and deliver to the
12 FTC the Financial Statement captioned "Financial Statement of Individual
13 Defendant," a copy of which is attached hereto as **Attachment 1**;

14 B. The Individual Defendants shall prepare and deliver to the FTC and
15 the Temporary Receiver, the Financial Statement captioned "Financial Statement
16 of Corporate Defendant," a copy of which is attached hereto as **Attachment 2**, for
17 each Corporate Defendant of which he or she is a member, officer, a majority
18 owner or otherwise controls;

19 C. Each of the Individual Defendants shall, on behalf of each business
20 entity (whether a partnership, limited partnership, joint venture, sole
21 proprietorship, limited liability company, corporation, or otherwise) of which he or
22 she is the majority owner or otherwise controls, other than the Corporate
23 Defendants, complete and deliver to the FTC and Temporary Receiver a separate
24 copy of the "Financial Statement of Corporate Defendant" for that corporate entity;
25 and
26

27 D. Defendants shall provide the FTC and Temporary Receiver access to
28 records and documents pertaining to assets of any of the Defendants that are held

1 by financial institutions outside the territory of the United States by signing a
2 consent to release of financial records if requested by the FTC.

3 **VI.**

4 **CREDIT REPORTS**

5 IT IS FURTHER ORDERED that the FTC may obtain credit reports
6 concerning any of the Defendants pursuant to Section 604(a)(1) of the Fair Credit
7 Reporting Act, 15 U.S.C. § 1681b(a)(1), and that, upon written request, any credit
8 reporting agency from which such reports are requested shall provide them to the
9 FTC.

10 **VII.**

11 **REPATRIATION OF ASSETS**

12 IT IS FURTHER ORDERED that within five (5) business days following
13 service of this Order, each of the Defendants shall:

14 A. Repatriate to the United States all funds, documents, or assets in
15 foreign countries held either: (1) by them; (2) for their benefit; or (3) under their
16 direct or indirect control, jointly or singly;

17 B. The same business day as any repatriation under paragraph A above,

18 1. Notify the FTC and the Temporary Receiver of the name and
19 location of the financial institution or other entity that is the recipient of such
20 funds, documents, or assets; and

21 2. Serve this Order on any such financial institution or other
22 entity;

23 C. Provide the FTC and the Temporary Receiver with a full accounting
24 of all funds, documents, and assets outside of the territory of the United States held
25 either: (1) by them; (2) for their benefit; or (3) under their direct or indirect control,
26 jointly or singly;

27 D. Hold and retain all repatriated funds, documents, and assets and
28

1 prevent any transfer, disposition, or dissipation whatsoever of any such assets or
2 funds; and

3 E. Provide the FTC and Temporary Receiver access to all records of
4 accounts or assets of the Defendants held by financial institutions located outside
5 the territorial United States by signing the Consent to Release of Financial Records
6 if requested by the FTC.

7 **VIII.**

8 **PRESERVATION OF RECORDS AND TANGIBLE THINGS**

9 IT IS FURTHER ORDERED that Defendants, and their agents, servants,
10 employees, and attorneys, and all persons or entities directly or indirectly under the
11 control of any of them, and all other persons or entities in active concert or
12 participation with any of them who receive actual notice of this Order by personal
13 service or otherwise, and each such person, are hereby temporarily restrained and
14 enjoined from destroying, erasing, mutilating, concealing, altering, transferring or
15 otherwise disposing of, in any manner, directly or indirectly, any documents that
16 relate to the business practices or finances of any of the Defendants, including, but
17 not limited to, such documents as any contracts, accounting data, correspondence,
18 advertisements, computer tapes, discs or other computerized records, books,
19 written or printed records, handwritten notes, telephone logs, telephone scripts,
20 receipt books, ledgers, personal and business canceled checks and check registers,
21 bank statements, appointment books, and copies of federal, state, or local business
22 or personal income or property tax returns.

23 This Section specifically applies to all documents that have been or are
24 displayed on or have been or are accessible from any and all Internet websites
25 owned or controlled by any Defendant.
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1 **IX.**

2 **RECORD KEEPING**

3 IT IS FURTHER ORDERED that each of the Individual Defendants is
4 hereby temporarily restrained and enjoined from failing to make and keep, and to
5 provide to FTC counsel promptly upon request, an accurate accounting that, in
6 reasonable detail, accurately, fairly, and completely reflects such Defendant's
7 income (including all income resulting from any services, activity, or efforts
8 rendered by such Defendant), disbursements, transactions, and use of money,
9 beginning immediately upon service or actual notice of this Order, and continuing
10 daily until otherwise ordered by the Court.

11 **X.**

12 **NOTIFICATION OF BUSINESS ACTIVITIES**

13 IT IS FURTHER ORDERED that:

14 A. Each of the Individual Defendants is hereby temporarily restrained
15 and enjoined from directly or indirectly creating, operating, or exercising any
16 control over any business entity, including any partnership, limited partnership,
17 joint venture, sole proprietorship or corporation, without first serving on counsel for
18 the FTC a written statement disclosing the following: (1) the name of the business
19 entity; (2) the business entity's contact information (including physical address,
20 email address, and telephone number); (3) the names of the business entity's
21 officers, directors, principals, managers, and employees; and (4) a detailed
22 description of the business entity's intended or actual activities.

23 B. Each of the Individual Defendants shall notify the FTC at least seven
24 (7) days prior to affiliating with, becoming employed by, or performing any work
25 for any business that is not a named Defendant in this action. Each notice shall
26 include the Defendant's new business address and a statement of the nature of the
27 business or employment and the nature of his or her duties and responsibilities in
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1 connection with that business or employment.

2 **XI.**

3 **IMMEDIATE ACCESS TO DEFENDANTS' RECORDS**

4 IT IS FURTHER ORDERED that:

5 A. Defendants and their successors, assigns, officers, agents, servants,
6 employees, and attorneys, and those persons in active concert or participation with
7 any of them who receive actual notice of this Order by personal service or
8 otherwise, whether acting directly or through any corporation, subsidiary, division,
9 or other device, and the Temporary Receiver, shall allow the FTC's representatives
10 immediate access to the business premises, mail drops, storage facilities, and all
11 other business locations owned, controlled, or used by Defendants, including, but
12 not limited to business premises at 879 W. 190th Street, Suite 400, 402, and 417,
13 Gardena, CA 90248. The purpose of the access shall be to effect service and to
14 inspect and copy materials relevant to this action. The FTC shall have the right to
15 remove documents from Defendants' premises in order that they may be inspected,
16 inventoried, and copied. The FTC shall return any such removed documents within
17 three (3) business days, or such time-period that is agreed upon by the FTC and
18 Defendants. Defendants, to the extent they are in possession of documents relevant
19 to this action, shall provide the FTC with the means necessary to access these
20 documents, including without limitation keys and combinations to locks, computer
21 access codes, and storage area access information; and

22 B. The Temporary Receiver shall subsequently allow the FTC's
23 representatives, the representatives of the Defendants, and each of the Individual
24 Defendants reasonable access to the business premises of the Receivership
25 Defendants. The purpose of this access shall be to inspect and copy any and all
26 books, records, accounts, and other property owned by or in the possession of the
27 Receivership Defendants. The Temporary Receiver shall have the discretion to
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1 determine the time and manner of this access; and

2 C. If, at the time of service of this Order, any records or property relating
3 to Defendants' business or assets are located in the personal residence of any of the
4 Individual Defendants or in any other non-business location in their personal
5 control, then he shall, within forty-eight (48) hours of service of this Order, produce
6 to the FTC, at a location designated by the FTC, the following:

7 1. All contracts, accounting data, written or electronic
8 correspondence, advertisements, computer tapes, discs, or other computerized or
9 electronic records, books, written or printed records, handwritten notes, telephone
10 logs, telephone scripts, telephone bills, receipt books, ledgers, membership records
11 and lists, refund records, receipts, ledgers, bank records (including personal and
12 business monthly statements, canceled checks, records of wire transfers, and check
13 registers), appointment books, copies of federal, state, and local business or
14 personal income or property tax returns, 1099 forms, title records, and other
15 documents or records of any kind that relate to Defendants' business and assets;
16 and

17 2. All computers and data in whatever form, used by Defendants,
18 in whole or in part, relating to Defendants' business and assets.
19

20 XII.

21 APPOINTMENT OF TEMPORARY RECEIVER

22 IT IS FURTHER ORDERED that Thomas W. McNamara
23 is appointed Temporary Receiver ("Receiver") for Defendants MDK Media Inc.,
24 also d/b/a SE Ventures, GMK Communications, and EMG; Tendenci Media LLC;
25 MindKontrol Industries LLC; Anacapa Media LLC; Bear Communications LLC;
26 and Network One Commerce Inc., as well as for any successors, assigns, affiliates,
27 and subsidiaries that conduct any business related to Defendants' placement of
28 third party charges on mobile phone bills and which the Temporary Receiver has

1 reason to believe are owned or controlled in whole or in part by any of the
2 Defendants (the "Receivership Defendants"), with the full power of an equity
3 receiver. The Temporary Receiver shall be the agent of this Court and solely the
4 agent of this Court in acting as Receiver under this Order. The Temporary
5 Receiver shall be accountable directly to this Court. The Temporary Receiver shall
6 comply with all Local Rules of this Court governing receivers.

7 **XIII.**

8 **RECEIVERSHIP DUTIES**

9 IT IS FURTHER ORDERED that the Temporary Receiver is directed and
10 authorized to accomplish the following:

11 A. Assume full control of the Receivership Defendants by removing, as
12 the Temporary Receiver deems necessary or advisable, any director, officer,
13 independent contractor, employee, or agent of any Receivership Defendant,
14 including any named Defendant, from control of, management of, or participation
15 in, the affairs of the Receivership Defendant;

16 B. Take exclusive custody, control, and possession of all assets,
17 documents, and electronically stored information of, or in the possession, custody,
18 or under the control of, the Receivership Defendants, wherever situated. The
19 Temporary Receiver shall have full power to divert mail and to sue for, collect,
20 receive, take in possession, hold, and manage all assets and documents of the
21 Receivership Defendants and other persons or entities whose interests are now held
22 by or under the direction, possession, custody, or control of the Receivership
23 Defendants. Provided, however, that the Temporary Receiver shall not attempt to
24 collect or receive any amount from a consumer if the Receiver believes the
25 consumer was a victim of the unlawful conduct alleged in the complaint in this
26 matter;
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28 C. Take all steps necessary to secure all premises owned, rented, leased,

1 or otherwise controlled by the Receivership Defendants, including but not limited to
2 all such premises located at 879 W. 190th Street, Suite 400, 402, and 417, Gardena,
3 CA 90248. Such steps may include, but are not limited to, the following, as the
4 Receiver deems necessary or advisable:

- 5 1. Serving this Order;
- 6 2. Completing a written inventory of all receivership assets;
- 7 3. Obtaining pertinent information from all employees and other
8 agents of the Receivership Defendants, including, but not limited to, the name,
9 home address, social security number, job description, method of compensation,
10 and all accrued and unpaid commissions and compensation of each such employee
11 or agent, and all computer hardware and software passwords;
- 12 4. Videotaping all portions of the location;
- 13 5. Securing the location by changing the locks and disconnecting
14 any computer modems or other means of access to the computer or other records
15 maintained at that location;
- 16 6. Requiring any persons present on the premises at the time this
17 Order is served to leave the premises, to provide the Receiver with proof of
18 identification, or to demonstrate to the satisfaction of the Receiver that such
19 persons are not removing from the premises documents or assets of the
20 Receivership Defendants; and
- 21 7. Requiring all employees, independent contractors, and
22 consultants of the Receivership Defendants to complete a Questionnaire submitted
23 by the Receiver;
- 24

25 D. Conserve, hold, and manage all assets of the Receivership Defendants,
26 and perform all acts necessary or advisable to preserve the value of those assets, in
27 order to prevent any irreparable loss, damage, or injury to consumers or to creditors
28 of the Receivership Defendants, including, but not limited to, obtaining an

1 accounting of the assets and preventing transfer, withdrawal, or misapplication of
2 assets;

3 E. Enter into contracts and purchase insurance as the Receiver deems to
4 be advisable or necessary;

5 F. Prevent the inequitable distribution of assets and determine, adjust,
6 and protect the interests of consumers and creditors who have transacted business
7 with the Receivership Defendants;

8 G. Manage and administer the business of the Receivership Defendants
9 until further order of this Court by performing all incidental acts that the Receiver
10 deems to be advisable or necessary, which includes retaining, hiring, or dismissing
11 any employees, independent contractors, or agents;

12 H. Choose, engage, and employ attorneys, accountants, appraisers, and
13 other independent contractors and technical specialists, as the Receiver deems
14 advisable or necessary in the performance of duties and responsibilities under the
15 authority granted by this Order. The Temporary Receiver may engage the services
16 of the law firm of which the Temporary Receiver is a member;

17 I. Make payments and disbursements from the receivership estate that
18 are necessary or advisable for carrying out the directions of, or exercising the
19 authority granted by, this Order. The Receiver shall apply to the Court for prior
20 approval of any payment of any debt or obligation incurred by the Receivership
21 Defendants prior to the date of entry of this Order, except payments that the
22 Receiver deems necessary or advisable to secure assets of the Receivership
23 Defendants, such as rental payments;

24 J. Determine and implement the manner in which the Receivership
25 Defendants will comply with, and prevent violations of, this Order and all other
26 applicable laws, including, but not limited to, obtaining consumers' express
27 agreement to the placement of charges on the consumers' telephone bills prior to
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